

LAW OFFICES

# ROSS & HARDIES

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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WRITER'S DIRECT FAX: (312) 920-6161  
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NEW YORK, NEW YORK 10022-3219  
212-421-5555

888 SIXTEENTH STREET, N.W.  
WASHINGTON, D.C. 20006-4103  
202-296-8600

SUSAN G. LICHTENFELD

June 11, 1999

## VIA PERSONAL DELIVERY

Mr. Vernon A. Williams  
Secretary  
Office of the Secretary  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

RECORDATION NO.

22196  
FILED

JUN 14 '99

3-00PM

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 48 U.S.C. Section 11301(a) are two original executed copies and three photostatic copies of a Memorandum of Railcar Security Agreement, dated as of June 10, 1999, between Johnstown America Corporation ("Secured Party") and The Detroit Edison Company ("Debtor"), a primary document as defined in the Commissioner's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed Memorandum of Railcar Security Agreement are:

Secured Party: Johnstown America Corporation  
17 Johns Street  
Johnstown, Pennsylvania 15901

Debtor: The Detroit Edison Company  
2000 2nd Avenue  
Detroit, Michigan 48226

A description of the railroad equipment covered by the enclosed document is set forth in the Memorandum of Railcar Security Agreement.

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#196491

Mr. Vernon A. Williams  
June 11, 1999  
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

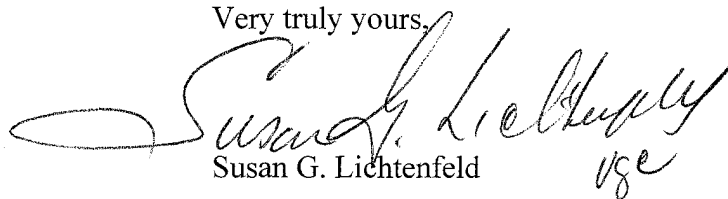
Kindly return one stamped original copy and three stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Ross & Hardies, 150 North Michigan Avenue, Suite 2500, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Document to be Recorded

Memorandum of Railcar Security Agreement, dated as of May 17, 1999 between Johnstown America Corporation, as Secured Party, and The Detroit Edison Company, as Debtor, relating to 125 aluminum BethGon cars marked DEEX 990250 through DEEX 990374 (both inclusive).

Very truly yours,

  
Susan G. Lichtenfeld

SGL/vgc  
w/encl.

cc: Robert W. Kleinman  
Joseph A. McQuade

JUN 14 '99

3-00PM

MEMORANDUM OF RAILCAR SECURITY AGREEMENT

This Memorandum of Railcar Security Agreement is made and entered into as of June 10, 1999, by and between JOHNSTOWN AMERICA CORPORATION (hereinafter referred to as "Secured Party") and THE DETROIT EDISON COMPANY (hereinafter referred to as "Lessee").

Pursuant to the Railcar Manufacturing Agreement dated as of August 1, 1998 (the "Manufacturing Agreement") between Secured Party and Lessee, and subject to the terms and conditions therein set forth, Secured Party has agreed to manufacture and sell to The Detroit Edison 1999 Railcar Trust ("Trust"), certain railcars, including the railcars identified on Schedule A hereto (the "Railcars").

Lessee will be taking possession of the Railcars and use such Railcars prior to delivery to the Trust of title to the Railcars and payment by the Trust of the purchase price for the Railcars. As security for the payment and fulfillment of the purchase obligations to Secured Party under the Manufacturing Agreement pursuant to Section 7 of the Manufacturing Agreement, Lessee grants to Seller a security interest in Lessee's interest in the Railcars and the products, proceeds and accessions of and to any of the Railcars, together with all right, title and interest of Lessee therein and all rights and remedies which Lessee might exercise with respect thereto but for the execution of the Manufacturing Agreement. Lessee does not have title, legal or equitable, to the railcars.

As contemplated by the Manufacturing Agreement, Secured Party and Lessee hereby make this Memorandum of Railcar Security Agreement to confirm and perfect Secured Party's security interest in the Railcars. Secured Party and Lessee further acknowledge and confirm that this Memorandum of Railcar Security Agreement is not a summary of the Manufacturing Agreement nor a complete recitation of the terms and provisions thereof. Accordingly, Secured Party and Lessee agree that in the event of a conflict between this Memorandum of Railcar Security Agreement and the provisions of the Manufacturing Agreement, the provisions of the Manufacturing Agreement shall control. Secured Party agrees to convey title by warranty deed to the Trust upon payment of the purchase price for the Railcars by the Trust.

This Memorandum of Railcar Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together constituting only one and the same agreement.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

SECURED PARTY:

LESSEE:

JOHNSTOWN AMERICA CORPORATION

THE DETROIT EDISON COMPANY

By: Michael P. Siska Jr.Name: Michael P. Siska Jr.Title: Contract Administrator

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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Lessee will be taking possession of the Railcars and use such Railcars prior to delivery to the Trust of title to the Railcars and payment by the Trust of the purchase price for the Railcars. As security for the payment and fulfillment of the purchase obligations to Secured Party under the Manufacturing Agreement pursuant to Section 7 of the Manufacturing Agreement, Lessee grants to Seller a security interest in Lessee's interest in the Railcars and the products, proceeds and accessions of and to any of the Railcars, together with all right, title and interest of Lessee therein and all rights and remedies which Lessee might exercise with respect thereto but for the execution of the Manufacturing Agreement. Lessee does not have title, legal or equitable, to the railcars.

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IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this Memorandum of Railcar Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

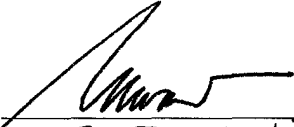
SECURED PARTY:

LESSEE:

JOHNSTOWN AMERICA CORPORATION

THE DETROIT EDISON COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By:   
Name: C. RRVANI  
Title: ASSISTANT TREASURER

COMMONWEALTH OF PENNSYLVANIA

)

SS:

COUNTY OF CAMBRIA

)

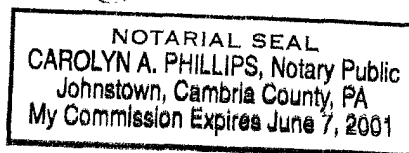
)

On this 10th day of June, 1999, before me personally appeared, MICHAEL P. SISK JR., to me personally known, who being duly sworn, says that he is an officer of JOHNSTOWN AMERICA CORPORATION, a Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Carol A. Phillips  
Notary Public

NOTARIAL SEAL

My Commission Expires:



STATE OF MICHIGAN

)

SS:

COUNTY OF WAYNE

)

)

On this \_\_\_\_ day of June, 1999, before me personally appeared, \_\_\_\_\_, to me personally known, who being duly sworn, says that he is an \_\_\_\_\_ of THE DETROIT EDISON COMPANY, a Michigan corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

NOTARIAL SEAL

My Commission Expires:

COMMONWEALTH OF PENNSYLVANIA

)

)

SS:

COUNTY OF CAMBRIA

)

On this \_\_\_\_ day of June, 1999, before me personally appeared, \_\_\_\_\_, to me personally known, who being duly sworn, says that he is an officer of JOHNSTOWN AMERICA CORPORATION, a Delaware corporation, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

NOTARIAL SEAL

My Commission Expires:

STATE OF MICHIGAN

)

)

SS:

COUNTY OF WAYNE

)

On this 11<sup>th</sup> day of June, 1999, before me personally appeared, C. ARVANI, to me personally known, who being duly sworn, says that he is an ASSISTANT TREASURER of THE DETROIT EDISON COMPANY, a Michigan corporation, that said instrument was signed on behalf of said corporation by an officer duly authorized to sign said instrument, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Geraldine Green  
Notary Public

NOTARIAL SEAL

GERALDINE GREEN

Notary Public, Oakland County, MI

My Commission Expires: Sept. 22, 2001

**SCHEDULE A**  
**TO MEMORANDUM OF RAILCAR SECURITY AGREEMENT**

125 new aluminum BethGon cars bearing road marks and numbers  
DEEX 990250 through DEEX 990374 (both inclusive)